

## SECOND DISTINCT SITTING

2.45 p.m.

The Honourable Muriel McQueen Ferguson, Speaker.

The Members convened were:—

## The Honourable Senators

Aird,	Connolly ( <i>Halifax</i>	Goldenberg,	Lawson,	Norrie,
Argue,	<i>North</i> ),	Gouin,	Lefrançois,	O'Leary,
Asselin,	Côté,	Graham,	Macdonald,	Petten,
Basha,	Croll,	Greene,	Macnaughton,	Phillips,
Beaubien,	Davey,	Grosart,	Manning,	Prowse,
Bélisle,	Denis,	Haig,	Martin,	Quart,
Benidickson,	Deschatelets,	Hicks,	McElman,	Rowe,
Blois,	Eudes,	Inman,	McGrand,	Smith,
Bonnell,	Ferguson,	Kickham,	McIlraith,	Sparrow,
Boucher,	Flynn,	Kinnear,	McLean,	Stanbury,
Bourget,	Forsey,	Lafond,	McNamara,	van Roggen,
Burkwood,	Fournier	Laing,	Michaud,	Welch,
Burchill,	( <i>de Lanaudière</i> ),	Lang,	Molgat,	Williams,
Cameron,	Fournier	Langlois,	Neiman,	Zuzyk.
	( <i>Restigouche-</i>	Lapointe,	Nichol,	
	<i>Gloucester</i> ),			

The Honourable the Speaker having put the question whether the Senate do now adjourn during pleasure to await the arrival of His Excellency the Governor General, it was—

Resolved in the affirmative.

After awhile, His Excellency the Governor General having come and being seated upon the Throne—

The Honourable the Speaker commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that:—

“It is the pleasure of His Excellency the Governor General that they attend him immediately in the Senate Chamber.”

The House of Commons being come,

Their Speaker, the Honourable Lucien Lamoureux, said:—

“May it please Your Excellency,—

“The House of Commons has elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

“If in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and Country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.”

The Honourable the Speaker of the Senate answered:—

“Mr. Speaker,—I am commanded by His Excellency the Governor General to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's Person and Government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants, and upon all occasions will recognize and allow their constitutional privileges. I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all seasonable occasions and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.”

His Excellency the Governor General was then pleased to open the Session by a Gracious Speech to both Houses, as follows:—

*Honourable Members of the Senate:*

*Members of the House of Commons:*

I have the honour to welcome you to the First Session of the 29th Parliament of Canada, with a special word of greeting to those who are entering for the first time upon their important duties as legislators.

The New Year promises much of special interest to all of you, in common with other Canadians. Her Majesty The Queen and His Royal Highness The Duke of Edinburgh will visit Canada twice. In late June and early July they will take part in celebrations marking the Centenary of the entry of Prince Edward Island into the Canadian Confederation, the Tercentenary of the City of Kingston, founded in 1673 by Le Comte de Frontenac, and the 100th anniversary of the founding of the Royal Canadian Mounted Police. I speak for Canadians generally when I say how pleased we shall all be to have Her Majesty and His Royal Highness with us for these national celebrations.

In August Canadians will again welcome Her Majesty, not only as their Queen but in her role as Head of the Commonwealth. She and the Duke of Edinburgh will be present in Ottawa for the Meeting of the Heads of Government of the Commonwealth. The Government, which will be host for the first time for these periodic meetings, attaches much importance to the Commonwealth and its common traditions, institutions and language. In this connection I note that not two years have passed since Canada was host to a Conference of l'Agence de Coopération culturelle et technique which brought together representatives of many countries of French expression. These two successive events illustrate the richness of Canada's linguistic duality and the special world associations that we derive from it.

Multilateral Preparatory Talks for the long-awaited Conference on European Security and Co-operation are now under way. Canada has urged that the main conference, to which Canada will be a party, give due weight to the questions of freedom of movement of people, of trade, of information and of technology between East and West.

Separate from the Conference on Security and Co-operation in Europe, but closely connected with it, the second round of the Strategic Arms Limitation Talks between the United States and the Soviet Union is now under way, and talks on Mutual and Balanced Force Reductions between the nations of the North Atlantic Alliance and the Warsaw Pact are projected.

As one of the world's great trading nations Canada is sensitive to every development in world trading patterns and world monetary arrangements. The Government is participating actively in the Committee of Twenty established for the reform of the International Monetary System. For three years now the Government has been pressing upon the nations of the enlarged European Common Market the need to be outward-looking and is

actively engaged in consultations aimed at strengthening trade and other relationships between Canada and the Common Market. This was a principal subject of discussion when the Prime Minister visited the Prime Minister of Britain last month. The Government has just announced the appointment of an ambassador solely accredited to the European Economic Communities.

As we set about strengthening our long-established economic, cultural and political ties with Europe we do not lose sight of our closest ally and our primary market beyond our borders, the United States. The Government will continue its discussions with the United States to settle certain difficulties that have arisen in our trading arrangements with that country, and to maintain and expand our trading opportunities there.

Access to foreign markets for exporters will receive particular emphasis. A new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade is planned for the fall of 1973. The Government will participate vigorously in these negotiations.

At home, the Government remains fully committed to two pre-eminent goals, national unity and equality of opportunity for all Canadians.

In pursuit of these goals, the Government assigns the highest priority to two policy areas:

- economic policy, to reduce unemployment, contain inflation and strengthen the economy generally
- social policy, to bring about, in consultation with the Provinces, a re-organization of existing social security programs.

In the area of economic policy, the Government has four main objectives:

First, to expand job opportunities at a rate that will bring about as rapid as possible a decline in the numbers of unemployed

Second, to promote stable economic growth at a rate that will sustain rising standards of living for all our citizens and provide for more satisfactory realization of the potential of the economy

Third, to attain reasonable price stability

Fourth, to ensure that all regions of the country benefit from the prosperity brought about by the expanding economy.

To attain its economic objectives, the Government has set in motion a two-part program.

The first part consists of measures to provide more jobs immediately by strengthening and broadening existing programs. These measures have been announced and are already taking effect:

- increased funding for the Local Initiatives Program
- increased funding for on the job training

—a substantial seasonal capital works project to be undertaken in co-operation with the Provinces and municipalities

—special funding to increase direct employment by the Federal Government in labour-intensive projects.

The second part consists of measures that will add to the fundamental strength of the economy, can be acted upon this session and can be expected to have effect with a minimum of delay:

—amendments to the Income Tax Act, the Excise Tax Act and the Customs Tariff, reintroducing measures announced earlier

—major revision of the General Adjustment Assistance Plan, to enable industry to take advantage of opportunities for increasing our foreign trade

—aid to small businesses through new initiatives to strengthen management and consulting services and to improve access to financing facilities

—extension and improvement of the Industrial Development Bank

—measures to assist in the development of the tourist industry in Canada

—amendments to the Export Development Act, increasing the capital of the Export Development Corporation and raising the financial ceilings for lending, guarantees, export insurance and foreign insurance operations

—assistance to cooperatives and credit unions

—renewed measures to reduce deeply-entrenched regional economic disparities. The Department of Regional Economic Expansion will be decentralized to a greater degree to be in a better position to identify opportunities for economic development

—review of research and development incentive programs to improve their effectiveness in promoting innovation in the private sector of the economy, including examination of patenting, licensing and other policies related to technology

—measures to ensure further control by Canadians over their economy by the screening of foreign takeovers of Canadian-owned business; measures respecting the transfer of technology from abroad and access to it by Canadian entrepreneurs; measures to increase Canadian participation in the ownership and control of resource projects; and, in consultation with the Provinces, measures dealing with new direct foreign investment and the sale of land to foreigners

—measures that will restructure the Canada Corporations Act, including a requirement that a majority of directors of federally incorporated companies be Canadians

—the Government will meet with the provincial governments in the five regions of the country, to examine the impact of freight rates on economic development and

consumer prices. The railways have agreed to participate in these meetings.

Taken together these measures will contribute to the development and elaboration of a coherent set of industrial policies for Canada.

In the area of social policy, the Government considers that Canada's total social security system—including both federal and provincial elements—must be reconsidered and reorganized, and made more sensitive to the needs of people in different parts of the country.

The Government intends that this reorganization should be based on five principles which, taken together, comprise a statement of the Government's commitment in respect of social security.

First, the social security system must assure to people who cannot work, the aged, the blind and the disabled, a compassionate and equitable guaranteed annual income.

Second, the social security system as it applies to people who can work must contain incentives to work and a greater emphasis on the need to get people who are on social aid back to work.

Third, a fair and just relationship must be maintained between the incomes of people who are working at or near the minimum wage, the guaranteed incomes assured to people who cannot work, and the allowances paid to those who can work but are unemployed.

Fourth, it must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.

Finally, it must be accepted that the reconsideration of Canada's social security system must be conducted jointly by the Federal Government and the Provinces. A better social security system can only be realized if a reasonable consensus can be reached between the Governments of Canada and the Provinces. To this end, the Government will invite provincial representatives to a conference of welfare ministers in April.

Certain immediate steps will be taken by the Government, consistent with the principles proposed above. In respect of people who can work but are temporarily unemployed, legislation will be introduced to clarify certain aspects of the Unemployment Insurance Plan and to prevent abuses that have not been overcome by the administrative action already taken.

A fair and equitable regime of family allowances is fundamental to an efficient social security system. A new family income security program will be proposed that will particularly take into account the needs of the lower income families. Legislation will be introduced to improve the economic situation of old age pensioners.

Subject to the appropriate agreement being reached with the Provinces, changes to improve the Canada Pension Plan will be introduced to provide higher pensions

for widows, widows with dependent children and the disabled and to make other needed amendments.

In another area of social policy, the field of housing and urban development, the Government proposes the following action, in co-operation with the Provinces:

- assistance in the provision of low-cost housing and other accommodation for senior citizens
- home-ownership assistance to low and moderate income families
- new incentives for housing provided by co-operatives and non-profit corporations
- assistance in the rehabilitation of older neighbourhoods
- a land assembly program to assist in the creation of new communities and to check urban sprawl
- encouragement to investors to make more money available to meet housing needs
- a warranty system to protect the purchasers of new houses
- assistance in the relocation of railway tracks and other facilities
- study of the Government's responsibilities with regard to urban transportation generally.

In response to the increasing importance of fitness for the well-being and health of Canadians and the need for greater opportunities for people to participate in sports activities, it is proposed over the next three fiscal years to more than double the current level of expenditures under the Fitness and Amateur Sport Program. Plans for a greatly expanded and a strengthened program will be announced.

Inflation is a world-wide problem. The Government is determined to contain inflation in Canada to protect the purchasing power of the Canadian dollar in the hands of the Canadian people and to protect Canada's position in world trade. While food prices in Canada have steadied slightly in the last month or so, the Government is concerned about possible future effects of the world-wide trend toward higher food prices and will propose the setting up of a Joint Committee of the Senate and the House of Commons to make a special study of this problem.

Efficient communications between all parts of the country are essential to the unity and prosperity of Canada. Technological developments can have a pervasive effect on the social and economic well-being of all Canadians. The Government will, in the near future, submit to Parliament proposals for a national communications policy, and for resolving problems arising from the growing interaction between broadcasting and other forms of telecommunication, giving due weight to the interests and concerns of the Provinces.

The Government will introduce legislation establishing a competition policy to preserve and strengthen the market system upon which our economy is based. The new policy will be in harmony with industrial policies in general and foreign investment policy in particular.

World-wide demand for our agricultural products is strong, in particular for our wheat and other grains. The Government will concentrate its attention upon transportation, storage and handling problems to ensure efficient and timely movement and delivery of grain and other agricultural products.

You will be asked to amend the Crop Insurance Act to allow the Government to reimburse the Provinces to a maximum of fifty percent of premiums paid under contracts of insurance, thereby reducing costs of insurance to individual farmers.

The Government supports the principle of an equitable relationship of prices of feed grain to livestock feeders in various areas of Canada. It is the intention of the Government to implement before the next crop year, procedures that will ensure the optimum development of the feed grain and livestock industries within Canada.

Measures to protect the natural environment and to enhance the productivity of Canada's renewable resource industries will be laid before you. In addition to amendments to the Fisheries Development Act, you will be asked to consider an Environmental Contaminants Act and a Canada Wildlife Act.

To preserve the ecological integrity of Canada's coastal and maritime areas, further preparations will be made for the Third United Nations Law of the Sea Conference. The Ministry of State for Science and Technology, in co-operation with the Department of the Environment and other interested departments, will recommend a national program of research and development in the field of Marine Science and Technology.

The Government will continue its efforts through national, bilateral and multilateral measures to overcome the continuing menace posed by aerial hijacking. In particular, you will be asked to amend the Aeronautics Act to provide for strict security measures to be taken at airports, including the search of persons and property.

You will be asked to consider legislation amending the Immigration Act, to curb abuses including the exploitation of the provisions allowing visitors to apply for immigrant status while in Canada. You will also be asked to amend the Immigration Appeal Board Act to provide for the rapid and equitable disposition of outstanding immigration appeals and prevent the recurrence of large-scale appeal backlogs.

The growing complexity of our society calls for increasing co-ordination of federal and provincial government programs. The Prime Minister will propose a meeting in the spring with the provincial First Ministers to plan further steps in the harmonization of goals, policies and

programs for the benefit of all Canadians, particularly in fields that bear on the responsibilities of both levels of government.

Federal-provincial meetings at the ministerial level are also projected on a range of urgent matters, including:

- financial and economic policy
- the Report of the Economic Council of Canada
- health care programs
- post-secondary education
- housing
- restrictions upon foreign ownership of land
- income security
- industrial policy.

The Government will propose to the Governments of British Columbia, Alberta, Saskatchewan and Manitoba that they join with it in the convening of a conference on western economic opportunities. Such a conference would be a unique venture in the history of federal-provincial relations in Canada. It could be jointly planned, and held in the West in the course of the summer. Its purpose would be to explore potentials for economic and social development and, specifically, to consider concrete programs for stimulating and broadening the economic and industrial base of western Canada.

Among such concrete programs, the Government would propose for discussion the possible establishment of new regionally-based financial institutions better able to serve the financing needs of business enterprise and industrial development in western Canada.

A second suggestion for joint study would be improvement in the total transportation system, so basic to overcoming the problems of distance: in the region, from other parts of Canada and from ocean ports. The development needs of the northern frontier areas in all four Provinces could also be explored.

The Government recognizes that western Canadians wish to build industrial strength on top of their region's great resource and energy base. As the whole economy continues to grow a greater measure of decentralization of industrial activity will be necessary to achieve this desired regional objective.

The Government believes these and other issues would rank high on an agenda for western development. It would seek as well views and suggestions with regard to the continuing mechanisms for federal-provincial consultations on policies for western expansion, within an overall framework of national growth.

The Government intends to widen the area of service to Canada open to personnel in the Canadian Armed Forces. In addition to maintaining a high degree of military capability as the primary and most essential role of the Forces, new emphasis will be placed on the many areas in which the varied skills and training of this large number of dedicated Canadians can contribute to the achievement of national goals.

You will be asked to amend the Public Service Staff Relations Act and the Public Service Employment Act.

Parliament will be asked to confirm the basic principles of the Government's program for bilingualism in the Public Service.

The Government will continue to work in furtherance of the objectives of the Official Languages Act. Further assistance will be offered to the Provinces to help ensure that to the extent possible:

- Canadians can educate their children in the official language of their choice
- Canadian students can learn, as a second language, the other official language
- Provincial governments can develop an increased capacity to serve their citizens in both official languages, as may be required.

The Government will continue to encourage through its multicultural policy the development of a society in which individuals and groups can develop and express their own cultural identity. An Advisory Council to the Minister of State responsible for multiculturalism will be established.

Measures will be introduced directed at reform of the penal and parole systems to improve prisoner rehabilitation and the protection of the public.

The five-year trial period in which imposition of the death penalty has been limited to cases involving the killing of policemen and prison guards has come to an end. You will be asked to decide, by a free vote and as a matter of urgency, upon the future of the death penalty in the Canadian law enforcement system.

Proposals dealing with conflicts of interest as they may affect Members of Parliament, Ministers of the Crown and Public Servants will be laid before you.

You will be asked to consider an Election Expenses Bill.

The Government will recommend to the House of Commons the broadcasting, by radio and television, of all or a part of its proceedings and the proceedings of its Committees.

You will be asked to consider other legislative proposals.

Members of the House of Commons,

The Government intends to present a budget early in the session. It is timely to provide to Parliament a full report on Canada's financial and economic situation, and to propose fiscal and other measures for the effective management of the economy.

You will be asked to appropriate the funds required to carry on the services and expenditures authorized by Parliament.

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence guide you in your deliberations.